

6 February 2023

Construction Industry Training Fund Act Review
Skills SA
Department for Education
11 Waymouth Street
Adelaide SA 5000

To whom it may concern,

RE: Review of the Construction Industry Training Fund Act

Thank you for providing the Urban Development Institute of Australia (UDIA) SA with the opportunity to respond to the Review of the Construction Industry Training Fund (CITF) Act.

We are pleased that the South Australian Government is undertaking this review and in general terms, the UDIA fully supports the Construction Industry Training Board framework.

The UDIA also notes however, that the capacity of the development sector, all the way from the identification and funding of a project to the completion and sale/handover, involves many skills and professions that are not within the traditional purview of the CITB. In the interests of developing the capacity of the whole sector, the UDIA would encourage further discussion, at the completion of this review, around capacity of professions outside of construction. For example, surveying, planning and engineering are just three examples that can have a material impact to development delivery.

Urban Development Institute

The UDIA is the leading representative body for the urban development industry. With representation nationwide, we work for the benefit of the South Australian industry and alongside other State and Territory divisions to advocate for meaningful policy reform both locally and nationally.

The UDIA is a membership organisation that represents all organisations and people involved in the development of homes, infrastructure and suburbs — the foundation of our current and future communities. Our members are active at every stage of the process and range from those organisations identifying opportunities and land for development through to those who build and take finished homes to market for sale.

We exist to support the urban development industry — South Australia's third largest employing sector with the second highest number of fulltime workers at more than 77,000 full time employees across the state.

Our purpose is to represent the views, wants and needs of those within our sector and ultimately ensure fair and equitable costs for those operating across the sector. Equally, we have a strong interest in ensuring we have a suitably skilled workforce that can meet the needs of the housing industry in South Australia.

Levy rate and general comments

In general terms, the UDIA supports the legislative framework that establishes the Construction Industry Training Board (Board) and the levy it collects to fund appropriate skills-based training for the building and construction industry to improve the capacity of skilled labour within the sector.

We also note the focus and attention on attracting senior school students to a career in construction through the doorways2construction program and fully support the continuation of this program in addressing workforce development.

While training needs are important, the UDIA believes that in the depth of a housing crisis and amidst continually rising building costs, the levy rate should not be increased and in broad terms the funds already collected are adequate.

In relation to more specific questions related to the operation of the CITB, the UDIA as a representative body of the broader development sector shares many common members with other industry peak bodies including the Master Builders Association, Housing Industry Association and Civil Contractors Federation. In broad terms, we note their intention to respond to many if not all of the specific questions raised. Notwithstanding this, please see the following in relation to some specific matters that the UDIA believes should be considered.

CITB composition, administration, and operation

Further to the commentary above, the UDIA notes there are several questions posed regarding the composition and skills of the CITB related to construction, including legal, financial and training expertise. We believe that these are critically important, however the UDIA also believes that a critical function of the CITB is to both forecast and plan for broader development trends that will impact skill requirements. This contrasts with responding to shortages after they occur. We strongly support a broad consideration of data and wider engagement instead of what appears to be such a strong emphasis on consulting sector committees.

Method of levy collection

The UDIA strongly rejects any idea or notion that a landholder or head lessee should be subject to the levy. Landholders and head lessees are already subject to punitive taxes such as stamp duty and land tax, and further, most of them do not operate in the business of construction where the direct benefit of training through the expenditure of the levy is realised. If the landholder or head lessee engages a firm to complete construction work, the building contractor will already factor the levy into commercial arrangements.

Thank you for the opportunity to comment. We hope the above is of assistance.

Yours sincerely,

Daniel Palumbo

Daniel Palumbo
PRESIDENT